

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ROCHESTER WATER)	
DISTRICT FOR RATE ADJUSTMENT PURSUANT)	CASE NO.
TO THE ALTERNATIVE RATE FILING PROCEDURE)	90-242
FOR SMALL UTILITIES)	

O R D E R

On August 16, 1990, Rochester Water District ("Rochester") filed its application for Commission approval of a proposed increase in its rates for water service. Rochester proposed rates for water service which would generate additional annual revenues of \$24,279, an increase of 24.9 percent.

In September 1990, Commission Staff reviewed Rochester's test-period financial records. Based upon this review, Commission Staff recommended on November 27, 1990 that Rochester be authorized to increase its annual operating revenues for water service by \$24,366. On December 6, 1990, Rochester advised the Commission of its acceptance of the recommendations contained in the Commission Staff Report of November 27, 1990.

On December 3, 1990, Rochester amended its application to include certain non-recurring charges. Commission Staff reviewed these proposed charges and their supporting cost justification. On January 7, 1991, Commission Staff issued a report recommending Commission approval of all proposed charges except the proposed customer deposit. It recommended that this charge be no greater

than \$40. Rochester sought a customer deposit charge of \$50. Advised of Commission Staff's recommendations on January 9, 1990, Rochester noted its acceptance of these recommendations and requested that the Commission proceed to a decision on its application.

The Commission, after consideration of the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Commission Staff Reports of November 27, 1990 and January 7, 1991 are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A, attached hereto and incorporated herein, are the fair, just, and reasonable rates for Rochester and will produce gross annual revenues of \$121,984 for water service based on adjusted test year sales. These rates will allow Rochester sufficient revenues to meet its operating expenses, and provide for future growth equity, including provisions for servicing its debt.

3. The rates proposed by Rochester would produce revenues in excess of that found reasonable herein and should be denied.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Rochester in its application are hereby denied.

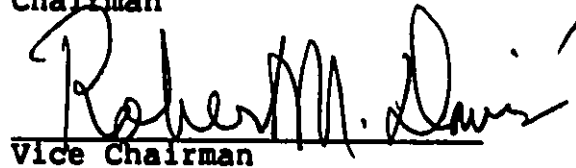
2. The rates in Appendix A are approved for service rendered by Rochester on and after the date of this Order.

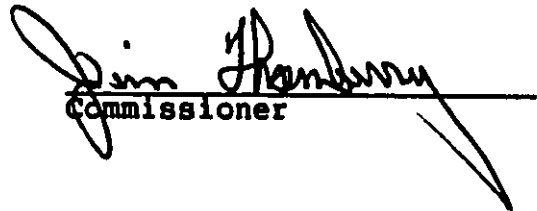
3. Within 30 days of the date of this Order, Rochester shall file with the Commission its revised tariff setting forth the rates approved herein.

Done at Frankfort, Kentucky, this 11th day of January, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-242 DATED 1/11/91

The following rates and charges are prescribed for the customers served by the Rochester Water District on and after the date of this Order. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the date of this Order.

<u>Usage Level</u>	<u>Rate</u>
First 2,500 gallons	\$11.25 Minimum Bill
Next 3,000 gallons	5.00 per 1,000 gallons
Next 5,000 gallons	3.75 per 1,000 gallons
Next 15,000 gallons	3.15 per 1,000 gallons
Next 25,000 gallons	1.85 per 1,000 gallons
Over 50,500 gallons	1.25 per 1,000 gallons

Bulk Rate

Huntsville So. Hill	\$ 1.25 per 1,000 gallons
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Non-Recurring Charges

Tap-On Fee for 3/4" meters	\$ 350
Tap-On Fee for 2" meters	1,000
Returned Check Service Charge	20
Delinquent Service Charge for nonpayment of bill to reconnect service	35
Service Charge for collection of unpaid bill	10
Service Charge to install meter and turn on old connection	25
Customer Deposit	40